



**INDO-JAPAN CHAMBER OF COMMERCE & INDUSTRY**

# **RISING INDIAN FURNITURE INDUSTRY : Prospective Invigorating Japan-India Synergy**



by  
**Manjeet Bhullar  
Vibhu Vaibhav**



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## PREFACE

Dear Readers,

“Two roads diverged in a wood and I - I took the one less travelled by, and that has made all the difference”, said Robert Frost.

We have been bringing out a Resource Paper every two months to foster interest and collaboration between the Japanese and Indian businesses and cultures. The current issue “Rising Indian Furniture Industry: Prospective Invigorating Japan-India Synergy” explores a promising yet largely untapped sector with significant potential for Japan-India cooperation.

Our authors, Mr. Manjeet Bhullar and Mr. Vibhu Vaibhav, have dedicated considerable effort to shed light on how both countries can work together for mutual benefit in this domain.

Mr. Manjeet Bhullar, a distinguished veteran Captain and Lalit Kala Academy award winner, is a renowned personality in the bespoke Lifestyle Design Industry. Through his Manjeet Bhullar Design brand and Arteform Designs Pvt. Ltd. he is leading a design revolution that seamlessly integrates art, heritage, sustainability, and innovation, aligning perfectly with the Make in India vision.

Mr. Vibhu Vaibhav, a seasoned technocrat and strategist with a distinguished military career as a Colonel, brings expertise in Infrastructure, Defence Procurement and Supply Chain Management.

He has been instrumental in handling complex Procurement Projects through project planning and process improvement strategy.

We believe this resource paper will serve as a valuable guide for entrepreneurs and stakeholders interested in exploring collaborative opportunities within the furniture sector. We look forward to your insights and engagement as we continue to promote meaningful partnerships between our two nations.

August 2025

**Suguna Ramamoorthy**  
Secretary General, IJCCI

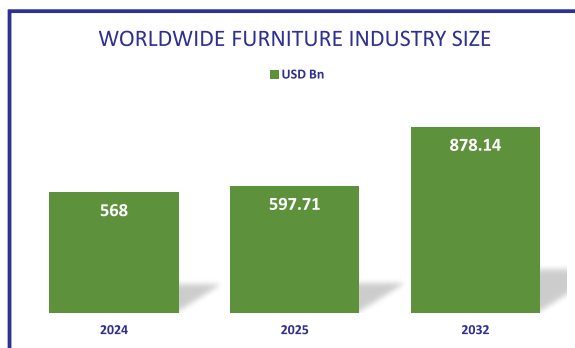
# Rising Indian Furniture Industry : Prospective Invigorating Japan-India Synergy

## Genesis

From bare basic to ergonomic, luxurious, lifestyle statement to specialist roles, the Furniture Industry has evolved worldwide and is today one of the largest employers of direct/indirect manpower in the world. It is also a fast-growing sector which holds exciting potential for growth and collaboration. India is amongst the top three fastest growing economies in the world. As the most populous country with the largest middle class coupled with the advent of rapid urbanisation, the people are increasingly becoming aspirational and that has led to a spurt in the Home Furnishing industry of which the Furniture Industry is one of the subsets along with textiles and home furnishing accessories thus holding an exciting growth potential.

## Worldwide Furniture Industry

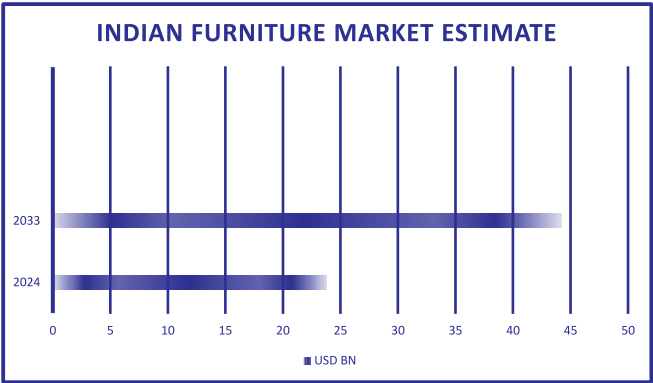
**Size Estimation:** Worldwide the furniture industry is estimated to be USD 568 Bn in 2024 to USD 597.71 Bn in 2025, and is expected to grow to an estimated USD 878.14 Bn by 2032 at a CAGR of 5.65%.(2025 F. B., Fortune Business Insight 07 July 2025). The Asia Pacific commands the largest share at 48.68%. This demand is fuelled by growing aspirations, urbanisation demand for better living, amenities, growing global focus on home renovation and quality décor as well as the need for formal convention areas, office spaces and meeting rooms. China by far remains the largest manufacturer and exporter of furniture in the world.



**Segmentation and Materiality:** Living room furniture remains the largest segment with a valuation of USD 213.55 Bn in 2025. (2025 h. , <https://www.statista.com/outlook/cmo/furniture/worldwide> 2025). Wood continues to hold the sway as the most preferred material with a share of approximately 62.89% followed closely by metal plastic and others. Overall, this industry is on a major upwards growth trajectory and exports are fast becoming a major attraction, a source of revenue and employment generation.

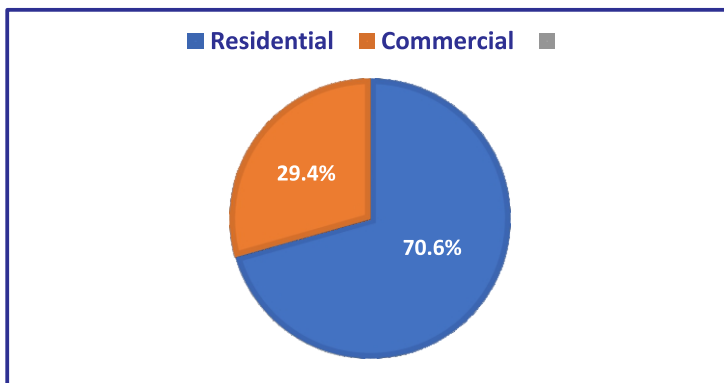
**An Insight into the Indian Furniture Industry**

**Valuation:** As per IMARC Services Pvt Ltd 2025 report, (2025, IMARC Group Pvt Ltd 2025)the Indian furniture industry was valued at USD 23.8 Bn in 2024 and is estimated to reach USD 44.2 Bn by 2033 at an impressive CAGR of 6.4%.



**Materiality:** Wood furniture has 59.8% of the Indian market while the speciality stores garnered 46.5% share in comparison with the online stores and unorganised sector. Residential demand continued to fuel the growth with an estimated 70.6% of the market share as compared to 29.4% for the commercial sector

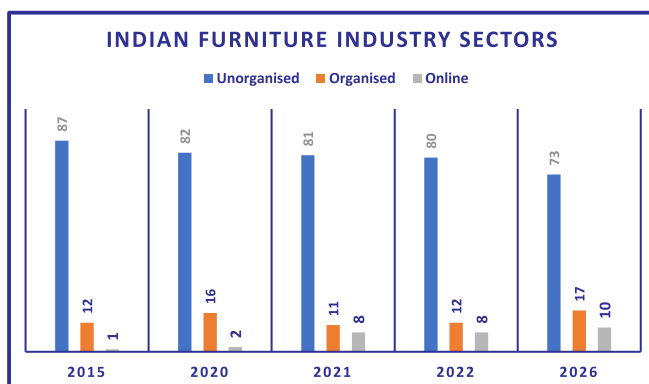
**Domination of Unorganised Sector:** The Indian furniture industry is still driven and dominated by the unorganised sector. This sector comprises of a vast network of skilled craftsmen,small-scale manufacturers and local carpenters operating outside formal business structures and a plethora of MSMEs which need immense handholding.Nevertheless, this unorganised sector has played a major role in employment generation, but thrives on old archaic skill sets.



**Regulatory, Compliances and Standardisation:** In the Indian market, regulatory standards and compliances are a major concern mostly due to the lack of awareness and due diligence. The sector is fragmented by nature and is challenged by lack of standardisation and inconsistent pricing.

**Access to Technology and Lack of Process Innovation:** India faces limited quality access to technology and process innovation which stifles modernisation efforts. These constraints severely limit the sector’s ability to compete on the international stage, resulting in modest export capabilities and stunted overall growth.

**Advent of Organised Sector:** The organised sector, which comprises branded companies and larger manufacturers though of much smaller size, is still increasing its share percentage slowly but steadily.



**The Online Segment:** The latest entrant is the online segment which too has increased its market share. With changing lifestyle and aspirations of the younger generation in India, this segment has picked up in a major way every two months after the covid era and is the fastest growing segment today.

**Indian Furniture Exports:** India currently ranks as the 16th largest exporter in this industry but the share of exports is a paltry 1.12% of overall global exports and USD 2.86 Bn. in 2022. This is despite the fact that India is amongst the top five furniture producers in the world. There exists a strong potential to look at a larger pie of these exports for India which will be a substantial enabler for growing employment and generating wealth in the country. Some of the major exports by India are to the USA, Germany and the UK with a percentage share of their respective overall imports being 2.48%, 1.99%, and 1.66%, respectively. Wooden furniture is the major export component comprising 85% of the exports. Of late, India has increased its wood exports with an encouraging increase of 2.53 times from US\$ 246 million in 2013-14 to US\$ 623 million in 2022-23. (<https://www.ibef.org/blogs/the-indian-online-furniture-industry>, <https://www.ibef.org/blogs/the-indian-online-furniture-industry>).



## Driving Factors for Growth of Indian Furniture Industry

**Impact of Rapid Urbanisation:** The Indian Furniture industry is on a positive upswing. Rapid urbanisation has led to aspirational customer preferences and changing lifestyles. Urbanisation has also fuelled growth in

both residential and commercial sectors thus increasing demand with a strong emphasis on renovation and remodelling in residential and commercial segments.

**Largest Middle Class in the World:** India has the largest middle class in the world and this segment with disposable income and desire to own are by themselves a driving growth engine. Furniture is being looked upon as something which is comfortable and aesthetically appealing and yet has a tinge of luxury associated with it.

**Changing Demographics and Preferences:** The young generation fed on rapidly evolving social media has easy access to latest design statements which drives the demand for visually appealing and distinct furniture. Increased awareness about sustainability is helping in creating much greener products and processes.

**E-Commerce and Online Industry:** The rise of e-commerce and online furniture industry has democratised furniture shopping with their twin key aspects of informed pricing and aided decision making as prominent factors which is rapidly driving growth due to enhanced purchase experience as well as hassle free delivery and installation.

**Rising Aspirations and Newer Segments of Furniture:** There is a growing appreciation and yearning to have designer furniture and premium home décor solutions. Newer segments like modular kitchens, children's furniture, wardrobes and bathroom furniture are the new driving verticals being created.

**Advent and Growth of Organised Sector:** Though the unorganised segment still holds sway, yet, it is the organised segment coupled with the online segment which is gaining market share. The competitive landscape offered by them and driven by system driven processes, product differentiation, innovative designs, diverse product portfolios, strategic brand value and strategic partnerships backed by prominent marketing strategies are altering the landscape.

**Luxury Segment on Rise in India:** A major change is coming with the now growing luxury segment which is driven by increasing disposable income



and rising aspirations moulding customer preferences. Preference for modular and multifunctional furniture is on a rise as is the desire to have customised and personalised furniture.

**Modern Trends and Growth in Hospitality and Modern Commercial Sectors:** Surging demand from hospitality, workspace demands like co-working spaces, IT sector and the push from e-commerce is fast propelling the industry.

**Major Indian Govt Initiatives:** The Indian govt has taken multiple steps. Multi modal logistics nodes are being set up across the country which will greatly help with transport logistics. India has signed ECTA (Indo Australia economic cooperation and trade agreement) with Australia and CEPA (Comprehensive economic partnership agreement) with the UAE. These two agreements will aid in duty free market access for the Indian furniture. Industry quality standards are now being defined to ensure similar quality standards across the materials being used in the industry.

### **Challenges Faced by Indian Furniture Industry**

**Availability of Quality Raw Material:** Scarce availability of quality raw material especially the required certified wood gets accentuated by the relatively small scale of commercial forestry operations which limit access to quality timber. There is a difference of almost 25% in the raw material cost between India and China. The overall dependence on imports adds to the overheads and uncertainty often adding to cost overruns and delays.

**Quality Hardware and Fittings:** Majority of the quality hardware and fittings are not manufactured in India and have to be imported. With the added import duties, they rarely become cost effective and add on to the bulging overheads.

**Challenges of Unorganised Sector:** The larger share of the unorganised sector which is challenged by limited availability of desired skill sets and modernisation often yields nonstandard products with inconsistent quality and varied pricing. Widespread fragmentation and labour coupled with energy power and transportation challenges add to the issues.

**Paucity of Skill Development:** There is an acute paucity of organised and certified skill development centres.

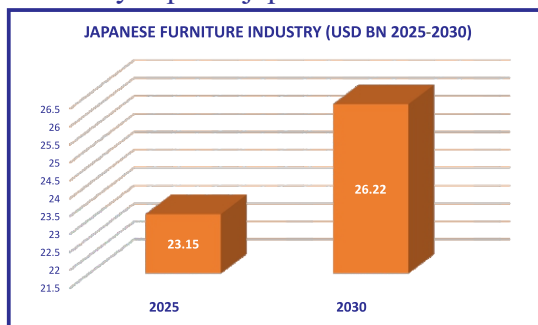
**Compliance, Regulatory and Infrastructure Challenges:** Lack of dedicated infrastructure like furniture parks lead to higher logistics overheads and quite often there is little understanding about the compliances, safety norms and regulatory obligations of the target countries which often lead to export challenges.

**Adoption of System Driven Processes:** Overall competitiveness is also hampered due to lack of system driven processes and practices which hamper ideal quality assurance and quality control checks. Aversion to data driven processes for inventory management and processes hamper desired quality and production levels and lead to systematic inefficiencies in production planning, stock management, and supply chain coordination.

**Development of Newer Products and Materiality:** The thrust towards development of newer products and exploring materiality quite often remains ad hoc. All these factors are further emboldened by the lack of a dedicated nodal ministry and comprehensive policy making at the National level for furniture industry per se.

## Insight Into Japanese Furniture Industry

**Market:** The Japanese furniture market is estimated to be USD 23.15 Bn in 2025 with a projection of growth to USD 26.22 Bn by the year 2030. This translates to a CAGR of 2.52%. (2025 h.-r.-f.-m., <https://www.mordorintelligence.com/industry-reports/japan-furniture-market-2025>).



**Peculiarities of Japanese Furniture Industry:** A significant ageing population has also influenced the design concepts with emphasis on ease of use and creation of single person home market which is quite unique to Japan. Space saving, multifunctional, mobility support with comfort, minimalist designs with maximum impact and practicality are the hall marks. The rising disposable income, increased urbanisation are now driving the growth of the industry. The high end and luxury segment is quite popular in Japan.

**Ethical Sourcing and Sustainability:** Japanese consumers have high quality and design expectations, and lay a great emphasis on ethical sourcing and sustainability and also have a deep connect with their cultural heritage and urban living.

**Traditional Craftsmanship:** Emphasis remains on traditional craftsmanship and aesthetics with stringent quality and sustainability standards. Wood remains the dominant material while the metal too is gaining much attraction. Home furniture has the largest market share followed by commercial sector, hospitals and hospitality.

**Domination of Local Industry:** The local industry dominates with IKEA opening its first store only in 2005-06. The distribution channel is led by the speciality stores followed by supermarkets/hypermarkets with the online industry now gaining more interest and market share.

**Inherent Industry Strengths:** The strength of the industry in Japan lies in materiality, hardware, quality control, longevity and sustainability. The desires compliances and regulatory standards are well in place and there is a great emphasis to empower manpower with the requisite skill sets and certifications. The highly process driven nature of industry is a major strength and ensures quality of workmanship, optimum materiality and timely delivery.

**Imports:** A large quantum of furniture is being imported into Japan with China being the largest at 40% of the trade volume. There exists an immense opportunity to explore this segment.

## **Exploring Japan-India Areas of Collaboration in Furniture Industry**

**Blending of Ancient Cultures; Modernising Traditional Craftsmanship:** Both Japan and India are ancient countries with a strong sense of nationalism and culture. This deep understanding is an essential connect to the essence of design form. There is an immense potential to synergise our traditional craftsmanship together and bring out the best in them.

**Innovations and Utilisation of Environment Friendly Materials:** There is an immense potential to move towards a more sustainable manufacturing process as well as choose the right raw material which has passed through the sustainability checks. Incorporating biophilic designs by making use of natural fibres etc. will help in connecting more closely with nature and space planning which is also the essence of our respective cultures.

**Logistics:** Japan has a very efficient logistics and supply chain model for all industries. In India, the overheads pertaining to challenges of logistics and transportation itself are humungous. A synergy in this aspect will greatly help in optimising these cost overheads by bringing in the best practices in place.

**Challenges of the Unorganised Sector:** With almost 80% of current market being controlled by the unorganised sector in India in the furniture industry, there is a major requirement to get this sector more refined in terms of incorporating system and processes, an organised way of functioning, bringing in more efficiency and creating a well oiled eco system of supply chain. It will be a long process but the right partnerships and collaborations will immensely help in bringing out a transformational change.

**Upskilling and Skill Development:** As we move more and more towards automation, finding requisite skilled labour with the desired technical skill sets is becoming a daunting challenge. There are hardly any institutes where skill upgradation is being formally imparted in a structured manner and this

is a ripe opportunity to bring in fruitful collaboration. Skilled manpower will go a long way in cutting down our costings and bring in better efficiencies in tune with the international standards and directly impact profitability. Specialised training institutes with well honed trained teaching staff and curriculum and bolstered by well recognised certification will be instrumental in churning out skilled manpower in desired numbers and skill sets. Deft and precise training programmes for skill development and vocational training will help fine tuning skills for design, manufacturing, imbibing technology, gaining confidence and understanding sustainability in its true sense.

**Incorporating Better Modern Technology:** World over, it is the desired marketplace that upskills the factories since the demand from the marketplace will dictate the quality and kind of product being produced by the respective factories. This can be brought about by blending in modern technologies and incorporating process improvement to help stay ahead of the learning curve. An active collaboration with Japan in this arena where the Japanese companies can bring in their inherent strength will be a win-win situation. Supply chains can be digitised end to end and deliveries mapped out. This will bring in transparency in costing, documentation, material availability, available lead times, bring in quality control and quality assurance as well. Technology will thus through digital and automation transformation become an enabler for cost minimisation and enhanced efficacy.

**Creating Industry Clusters and Handholding MSMEs:** As on date, we do not have dedicated furniture industry clusters of the desired size, scale, volume and composition in India. We need to dwell upon this aspect and need to bring in fully integrated clusters with well encapsulated ecosystems. A collaborative approach in this aspect will help all stakeholders to synergise their existing resources and provide opportunities for them to acquire technology, access capital, upgrade skills, reduce transportation and logistics overheads. This will also greatly benefit our MSMEs who will be a key component in these clusters

by allowing them to handle large orders or meet the needs of international buyers while at the same time enhance their efficiencies.

**Promote Govt-Industry Collaboration:** We have quite a few industry bodies in furniture industry which collaborate with the govt on various issues pertaining to the industry. However, much more can be done in this arena. Policy making, putting forth the concerns of the industry, hand holding of the unorganised sector, ease of access to capital for growth and expansion along with G2G initiatives are a few probable areas to start with.

**Luxury Furniture Segment:** This is perhaps the fastest growing and the most profitable segment world over and especially in India. Rapid urbanisation coupled with aspirational expectations duly bolstered by a growing economy has brought in great potential in this sector. Blending of design aesthetics and transforming them into final products of due significance can be a test bed of collaborative efforts between Japan India industries.

**Hardware and Fitment Accessories Segment:** India is still a long way off from developing high quality hardware and fitment accessories with a majority of them being imported which add on to our cost overheads and the balance being manufactured domestically but mainly in unorganised sector where right quality and timely delivery leaves much to be desired. A collaborative effort with synergised energies in this domain in the long term has potential to create world class hardware and fitment accessory segment within India with due help from Japan to meet both domestic and voluminous exports.

**e-Commerce and Online Growth:** The online industry is here to stay and grow much faster in times to come. By bringing in design synergy through collaborative efforts, there exists a potential to explore joint ventures worldwide fuelled by online platforms. Geographical separations will get bridged by digital bridges to create newer design forms and facilitate delivery across the world thus bringing out better efficacy and channelising resources. This will also help in tapping the immense export potential together which at this time is currently languishing and has the potential to be a game changer.

**Brand Recognition:** Value and Management. The Japanese firms are adept in brand recognition and with that they bring in a lot of value to their respective brands and overall products by inculcating finer brand management. This is something that the Indian Furniture industry has not yet mastered and we need to learn and harness this. Collaborative efforts with Japan will bring in much better valuation and recognition to Indian firms and this is a new area where much more can be explored together.

## Way Ahead

Deft collaboration between Japan and India who are in the top four global economies GDP wise is a win-win situation. Synergies can be built up. The unorganised sector in India is looking for handholding, mentors who can assist in bringing about a quality change. Japan has the capability and capacity to be a collaborative partner in this industry. In India, there is immense faith in the Japanese ability and intent to bring in a fair and just collaborative changeover. The time is ripe to take a de novo look at this sunrise sector in a collaborative way in which we bring in our respective strengths together to create a win-win business opportunity.

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